Increasing the powers of local bodies

2052. SHRI N.R. DASARI:
SHRI J. CHITHARANJAN:

Will the Minister of URBAN DEVELOPMENT AND POVERTY ALLEVIATION be pleased to state:

(a) the steps taken for increasing the powers and improving the financial position of the local bodies after the 73rd and 74th Constitution Amendments were passed;

(b) whether Government intend to take more steps to improve the financial position of the local bodies; and

(c) if so, the steps contemplated in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT AND POVERTY ALLEVIATION (SHRI O. RAJAGOPAL): (a) to (c) The Ministry of Rural Development who is dealing with the Constitution (73rd Amendment) Act, 1992 relating to Panchayati Raj, have informed that State Governments and U.T. Administration are being pursued to develop more powers to Panchayati Raj Institutions (PRIs), both through high level meetings and through correspondence with the State Chief Ministers, Ministers and State Secretaries in-charge of Panchayati Raj. The Chief Ministers and Administrators of U.T. s have been advised to implement the resolutions passed in the Conference of Ministers of Panchayati Raj, held in July, 2001 within agreed time frame.

As far as 74th Amendment Act is concerned, the State Governments have amended their Municipal Laws in conformity with the Constitutional provisions. Government of India have initiated a number of reforms in the urban sector which include setting up of Urban Reforms Incentive Fund, City Challenge Fund, State-level Pooled Financing Structure, Tax-free Municipal Bonds, Property Tax Reforms, etc. In pursuance of the 73rd and 74th Amendment Acts, the States had also constituted State Finance Commissions (SFCs). the Eleventh Finance Commission had recommended local bodies grants amounting to Rs. 8000 crores for panchayats and Rs. 2000 crores for urban local bodies during the period 2000-05.